

Specific General Fund Operating and Aid Reductions

Agency Number	Agency Name	Program Number	Program Name	Change	FY02 Reduction	FY03 Reduction
5	Supreme Court	67	Probation Services	This budget change reduces the General Fund appropriation by \$500,000 in FY03 and offsets this specific budget reduction by increasing the Cash Fund appropriation by a similar amount in FY03. The actual cash fund balance on June 30, 2001 was significantly higher than projected by the agency. This action will reduce this excess fund balance.	0	500,000
5	Supreme Court	570	Computer Automation	This budget change reduces the Supreme Court retainer fee for data services of \$300,000 General Funds in FY02 and \$100,000 General Funds in FY03. The actual fund balance on June 30, 2001, varied significantly from that projected by the agency. The actual fund balance in the Intergovernmental Data Services Program Revolving Fund on June 30, 2001, was significantly higher than projected by the agency.	300,000	100,000
13	Education	25	Departmental Administration	In FY02 the Insurance Premium Tax allocated to TEEOSA K-12 Aid to Schools exceeded estimates by \$3,368,591, therefore reducing the General Fund requirements for TEEOSA. In FY03 the General Fund reduction reflects new actual information used in the formula to reestimate General Fund requirements for TEEOSA K-12 aid to schools.	3,368,591	4,763,816
13	Education	25	Departmental Administration	This reduction in ESU Aid for FY03 is the amount of the FY02 across-the-board reduction which was not taken in 02 because the funds had already been distributed by the State.	0	523,775
13	Education	25	Departmental Administration	This reduction eliminates an amount equal to a reappropriation to the Assessment and Reporting program that was not accounted for in setting the current biennial budget.	889,490	0
13	Education	25	Departmental Administration	This reduction, when combined with an across-the-board reduction, eliminates the additional funds that were allocated to the School Reorganization Incentives through LB 313 in 2001.	2,880,000	1,900,000
13	Education	25	Departmental Administration	This reduces the General Fund appropriation, increases the Cash Fund appropriation by a like amount, and transfers higher than projected receipts of the Department of Health and Human Services Intergovernmental Trust Fund to the State Department of Education Cash Fund to be used by schools to provide Special Education services. This fund source change is for FY02 only.	5,846,593	0
16	Revenue	104	County Prop. Tax Relief Fund	This reduction in County Property Tax Relief Aid for FY03 is the amount of the FY02 across-the-board reduction which was not taken in 02 because the funds had already been distributed by the State.	0	240,287
20	HHS-Regulation	177	Administration	Receipts and expenditures in the Health and Human Services Regulation & Licensure Cash Fund for FY 2000-01 differed significantly from the agency's original estimates. The difference has resulted in an excess balance in the fund in FY 2001-02 that allows for a one-time reduction of \$1.0 million General Funds.	1,000,000	0

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20	HHS-Regulation	177	Administration	LB 152A included an annual appropriation of \$95,000 that was provided as a contingency that the Department of Health and Human Services Regulation & Licensure would not receive federal funding to continue the traumatic brain injury registry. The department was successful in being awarded the federal funds for the registry and no longer requires the additional General Funds. The reduction, when combined with an across-the-board reduction, eliminates the full amount of \$95,000.	91,200	90,250
21	State Fire Marshal	193	Public Protection	This budget item reduces the appropriation by \$300,000 in FY02 and \$614,697 in FY03, and offsets these budget reductions by increasing the Cash Fund appropriation by corresponding amounts. The agency cash fund balances are higher than needed in order to finance current biennium operations. These actions will reduce the excess cash fund balances.	300,000	614,697
25	HHS-Regulation	33	Administration	LB24A, 2001, appropriated \$31,000 in FY 2001-02 to allow the Department of Health and Human Services to support a legislative interim study to review issues related to the creation of a state immunization registry. The interim study resolution was withdrawn. The \$31,000 General Fund appropriation is no longer necessary. This reduction, when combined with an across-the-board reduction, eliminates the full amount of \$31,000.	29,760	0
26	HHS-Finance	316	Juvenile Predisposition Detention	Pursuant to LB 640A, the unexpended balance of the FY 2000-01 appropriation for costs related to predispositional detention costs for juvenile offenders prior to July 2001 was reappropriated into FY 2001-02 for payment to counties. The reappropriated amount exceeds the latest estimates of costs by \$2.0 million. The reduction is discounted to \$1.92 million to avoid duplication with the across-the-board reduction applied to this program.	1,920,000	0
26	HHS-Finance	347	Public Assistance	The appropriation to the Department of Health and Human Services Finance & Support for child care subsidy is reduced by \$1.0 million annually. The lower than anticipated rate adjustments required as a result of this year's child care market rate survey and enhanced flexibility allowed by additional federal funds indicate that a reduced level of General Fund support is necessary.	1,000,000	1,000,000
26	HHS-Finance	348 -	Medicaid	LB 257, passed during the 2001 session, provided that the Department of Health and Human Services Finance & Support shall credit all pharmaceutical rebates, third party liability payments, and estate recovery receipts to the Medicaid budget in the year in which the rebate or refund was received. The annual amount of rebates and refunds is projected to exceed the amount estimated prior to the passage of the legislation allowing for the reduction of \$3 million General Funds each year of the biennium while not reducing the overall level of funding for services.	3,000,000	3,000,000
26	HHS-Finance	348	Medicaid	Under the inpatient prospective payment system, Nebraska Medicaid reimburses hospitals a predetermined amount for services furnished Medicaid recipients based on the illness and its classification under a DRG (Diagnosis Related Group). Payment for inpatient service is to include outpatient services rendered up to 3 days before the day of admission. Consequently, a duplicate payment is made when such outpatient services are paid separately. Medicaid policy will be clarified and system edits installed which will harmonize with federal Medicare policy and result in a \$230,000 General Fund savings in FY 2001-02 and \$560,000 General Fund savings in FY 2002-03.	230,000	560,000

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26	HHS-Finance	348	Medicaid	The Department of Health and Human Services Finance & Support has developed a management initiative to identify and review hospital claims where the Diagnosis Related Group (DRG) coding may inappropriately generate higher Medicaid payments than procedures or diagnosis warrant. The DRG validation initiative is expected to result in savings of \$220,000 General Funds in FY 2001-02 and \$520,000 General Funds in FY 2002-03.	220,000	520,000
26	HHS-Finance	348	Medicaid	The Medicaid Program currently pays a higher rate to nursing facilities for clients with the lowest levels of acuity than is paid to assisted living facilities for a comparable level of acuity. The care needs of nursing home clients at the two lowest acuity levels are similar to the care needs of clients in assisted living environments. Harmonizing these nursing facility payments to a level which is consistent with the level of care currently provided by assisted living facilities will save \$990,000 General Funds in FY2001-02 and \$2.6 million General Funds in FY2002-03.	990,000	2,600,000
26	HHS-Finance	348	Medicaid	During the 2001 legislative session \$445,187 General Funds were earmarked in the Medicaid appropriation to expand substance abuse treatment eligibility. This recommendation eliminates the additional funding provided for this purpose.	0	445,187
26	HHS-Finance	348	Medicaid	The Nursing Facility Conversion Grant Program will terminate on January 1, 2003. It is estimated that the program will have awarded over \$55 million in grants to nursing facilities for conversion of beds to assisted living beds. The Nursing Facility Conversion Cash Fund is expected to have an unobligated balance at the time of program termination of approximately \$7 million. Current law provides that upon termination of the conversion grant program the unobligated balance of the fund is to be transferred to the Nebraska Health Care Cash Fund. The additional funds would contribute to an already significant unallocated balance in that fund. The Governor will propose legislation to transfer the unobligated balance of the Nursing Facility Conversion Cash Fund to the Department of Health and Human Services Finance & Support Cash Fund to be used by the Medicaid program.	0	6,850,000
46	Dept. of Corrections	200	Operations	This budget item reduces the General Fund appropriation by \$1,200,000 in FY02 and offsets this budget reduction by increasing the Cash Fund appropriation by a similar amount. This will reduce this one-time excess cash fund balance.	1,200,000	0
46	Dept. of Corrections	725	Building Depreciation Charges	This budget item reduces the appropriation by \$1,459,875 in FY02. Substantial construction completion for the Tecumseh Correctional Center was not finalized by the expected June 30, 2001 date. Therefore, the \$1,459,875 General Funds appropriated for building depreciation charges will not be assessed against the Tecumseh Correctional Center in FY02 and the existing appropriation of \$1,459,875 can be eliminated.	1,459,875	0
50	State Colleges/Board	48	NSC Bd. Office	Building depreciation charges to be paid to DAS are less than originally estimated because substantial completion was not reached by June 30, 2001.	34,878	21,748
51	University of Nebr.	781	U of N Administration with NCTA	Optometry student contract costs are less than originally estimated.	44,242	44,242

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51	University of Nebr.	781	U of N Administration with NCTA	Building depreciation charges to be paid to DAS are less than originally estimated because substantial completion was not reached by June 30, 2001.	0	130,621
65	Admin Services	567	Accounting Division	This is a fund source change that reduced General Fund appropriations in FY02 and FY03 and increases revolving funds by a like amount.	287,583	295,666
67	Equal Opportunity	59	Enforcement of Standards	This budget item is a fund source change that reduces the General Fund appropriation by \$500,000 in FY02 and offsets this specific budget reduction by increasing the Federal Fund similar amount in FY02. This action will reduce this excess appropriation by a federal fund balance.	500,000	0
78	Crime Commission	155	County Planning Grants	This budget item reduces the amount appropriated for County Planning Grants by \$6,250 General Funds in FY03. When combined with the across-the-board reductions, a total excess appropriation of \$17,500 would be reduced from the program over the biennium. This will leave full funding of \$232,500 for the biennium to finance 93 counties at \$2,500 each.	0	6,250
78	Crime Commission	198	Central Administration	This budget program currently contains excess General Fund appropriations of \$24,000 in FY02 and \$20,000 in FY03 beyond authorized aid earmarks. These reductions are discounted to avoid duplication with the across-the-board reductions.	23,040	19,000
78	Crime Commission	198	Central Administration	The state victim notification system is financed 80% from the federal Victims of Crime Act funds and 20% from the state General Fund. This budget program currently contains excess General Fund appropriation match in both FY02 and FY03 beyond the required 80%/20% federal/state match. While the program earmarks are correct in the mainline appropriations law, this recommendation eliminates this excess funding.	9,120	9,025
78	Crime Commission	199	Law Enforcement Training Center	This budget item reduces the General Fund appropriation for depreciation. When combined with the across-the-board reduction applied to the FY02 depreciation, there is a total budget reduction of \$229,400 General Funds. Substantial construction completion for the Grand Island Law Enforcement Training Center was not finalized by the expected June 30, 2001 date. Therefore, the \$229,400 General Funds appropriated for building depreciation charges will not be assessed against the Training Center in FY02 and the existing General Fund appropriation of can be eliminated.	220,224	0
84	Environmental Quality	513	Administration	The Environmental Protection Agency has reduced estimates of state matching funds necessary for the Superfund program in the current biennium.	141,818	203,300